

Andrews University

School of Education

COMPETENCY 2A

ORGANIZATIONAL DEVELOPMENT AND CHANGE

A Reflection Paper

Presented in Partial Fulfillment

of the Requirements for the Degree

Doctor of Philosophy

by

Cheryl H. Kisunzu

July 2010

COMPETENCY 2A

ORGANIZATIONAL DEVELOPMENT AND CHANGE

“A basic fact of business life is that an organization either changes or withers away” (Magin, 2005). Since no business “starts” to “fail” – it is essential that leaders of change understand the dynamics of this inevitable reality. The good news is that, though change is complex, there are principles which characterize this experience that, when understood, yield strategies through which desired goals and objectives are achieved and progressive excellence is both attained and sustained. Everyone experiences change. We either initiate it happens to us. This reality provides the context for emerging theories of change.

Lewin’s (1951) Theory of Change identifies its three stages as unfreezing, forming and refreezing. During the first stage, the organization realizes its need to change. In response, the planned change is introduced – resources are confirmed, resistance to the change is confronted and strategies to implement the change are formulated. Action plans for making the change a reality are enacted during the second stage of forming. Here the change is appropriately experienced throughout the organization. The final stage of refreezing is the time where the positive change is attached to organizational practices.

Erwin (2009) expands on this understanding of action research, when he suggests that four phases are typically experienced by organizations and their leaders when implementing planned change. Phase 1 is designated as the stage during which the need to change is realized. Typically, this realization is experienced in response to a crisis. The increasing awareness of the immediacy of its need to respond proactively to this event stimulates the organization to courageously change its course. Perhaps this stage aligns with what Lewin (1951) had in mind

when, through his theory, he describes the first stage of organizational change as unfreezing. During Phase 2, of the action research model reviewed by Erwin (2009), plans for responding to the catalyst which consider short and long term impact, are created and relentlessly communicated to the members of the workforce responsible for implementing the change. By contrast, it is during Phase 3 that these strategies are implemented. Given the risk of organizational backsliding, special attention is given to evaluating the effectiveness of the intervention to generate desired outcomes. Simultaneously, systems for gathering and analyzing reliable data are further refined. Finally, in Phase 4, strategies are identified to sustain the change through its integration into organizational practices and procedures so that ultimately, the desired change becomes part of the organizational culture.

Kotter (2008) has created a theory for leading change which consists of eight steps. They are as follows:

1. Creating a sense of urgency
2. Developing a guiding team or coalition
3. Establishing a clear vision and implementation strategies
4. Communication
5. Empowerment
6. Celebrating short term wins
7. Never letting up
8. Anchoring the change – making the change stick.

These insights emerge from Dr. Kotter's (2008) research with over 100 companies through over 14 formal studies and 1000 research participants. He identifies the first step, that of "creating a sense of urgency" as the most difficult. I think that Lewin (1951) would agree with this

assessment. Even in the physical world, the temperature has to exceed the norm to stimulate a change in state from water's frozen state as ice to its liquid form. The eighth step, that of "anchoring the desired change" is the step that Dr. Kotter (2008) identifies as the most important step which ensures continuance of the change initiative. He observes that in spite of its critical nature, this step is the one most often ignored by organizations. I believe, Lewin (1951) would concur, since extraordinary energy must once again be exerted to move water from its liquid state (organizational forming) to its frozen form (organizational refreezing). So institutions must exhibit extra intentionality to ensure that the new practices are integrated into established procedures.

Each of these models is based on the organization's response to an identified need for change. In contrast to these theories is the strengths based appreciative inquiry model for leading change. Boyd & Bright (2007) review the four steps for this theory which are 1) discover, 2) dream, 3) design and 4) destiny. During the first step of discovery, the leaders of change facilitate a review and identification of organizational strengths as evidenced during past successes. Within this context, members of the institution are encouraged to dream about what the organization will look like when the desired change is realized. This intentional imagery honors the wisdom of the proverb, "Where there is no vision, the people perish" (Bible, Proverbs 29:18). The next step, "to design", is the phase where action plans are formulated and benchmarks are created as required to measure progress toward achieving the collective vision of the organization's destiny – which is the final step of this strengths-based model. This step aligns with Lewin's (1951) second stage of "forming" and Kotter's (2008) third step for leading change during which consensus is reached on a vision and implementation strategies are created

and formulated into plans of action. The value of these models is revealed as a leader practically applies the concepts to actual change initiatives.

This opportunity for enriched understanding was provided to me when I accepted the responsibility of leading the change management team as required to effectively implement our college's new enterprise resource planning (ERP) system. Our organization is classified as a large community. It serves an average of 30,000 to 40,000 non-credit and credit students. It has distinguished itself as a benchmark for excellence in teaching and learning both nationally and in its Midwest region. I chose to use Kotter's (2008) steps for leading change as my theoretical framework for the organization's change management plan. This decision was based on the fact that, for me, the eight step model provides a clear comprehensive and effective sequence for leading change. This clarity was very much needed for such a large and cumbersome initiative. The planned change was to replace the increasingly dysfunctional old computer system with a new technology mainframe.

During Step 1 – the sense of urgency was created from the fact that the current computer mainframe was crashing with each semester's registration. The system was over 15 years old. In spite of custom upgrades the system began to crash with increasing frequency. The system's internet capability was no longer able to handle the burden of thousands of hits during peak registration hours. The absence of this functionality was beginning to adversely impact the college's financial viability as students increasingly chose alternate organizations as their preferred provider for learning. As I entered into my leadership of the change management team, I learned that - hidden within the formal urgency of the initiative – were different types and degrees of urgency experienced by members of the workforce. For example, employees in the accounting department were those who were first scheduled to have the system replaced.

Through my conversations with them, I discovered that while they were pleased that the system would result in enhanced efficiencies for students, squelching the recognition of this institutional benefit, were fears that these same efficiencies could result in elimination of their positions. It was within the context of this understanding, that I recognized the same urgency which stimulated this positive organizational change, could be experienced as negative, if its impact resulted in the elimination of positions and the associated termination of employment for loyal employees.

Thus, as the implementation timelines grew closer, a type of negative urgency was created in the minds of these individuals. It is here, in this first stage, that I discovered the importance of lingering with employees to hear, understand and remediate, when possible, the fears which were generated through – what was defined by the Board and senior leaders as a positive change for the organization. It was also here, that I chose to revise the change management plan and create a blended framework which reflected both Kotter's (2008) eight step theory and the appreciative inquiry's strengths based model. I made this decision, based on my belief that change must be implemented in a manner which strengthens the institution from a short term and long term perspective as envisioned for enduring organizations by Collins (2001). Through Kotter's (2008) model, I was equipped with a template for leading the change initiative which was comprehensive and effective. I found however, that if I wanted the change to positively impact our culture, the strategies as defined through the strengths-based approach of the appreciate inquiry theory of change, more directly resulted in this desired outcome. Accordingly, I sought and received approval to conduct employee sessions during which the discovery of past departmental and organizational strengths was facilitated. The specific strength of the organization's commitment to its employees was showcased. Participants were relieved to

see, that a large organizational change initiative had never resulted in a reduction in the employee workforce. In accordance with a fresh understanding of this historical strength, I observed that employees were encouraged. As a result, a collaborative culture for implementing this change was sustained.

Our change management plan implemented multi-level “guiding teams and coalitions” as required for Kotter’s (2008) stage 2. For example, the senior team for leading this planned change was led by the President of the college and was comprised of about eight key administrators. It was called, the Core Team. Supporting the efforts of this group was a larger team of approximately 25 members from each of the primary units affected by the new system. Of significance is the fact that the workforce is organized into seven labor unions. During step 1, we conducted meetings with the leaders of these organized groups to communicate the need and gain their support for the urgency of the initiative. During step 2, to ensure responsiveness to workforce concerns, union leaders were invited to serve as members of these teams.

Since all employees use the college’s computer system, everyone’s ability to work was adversely impacted as a result of these multiple system failures. Therefore, the outcome of step 3, establishing a vision, was the easiest. Members of the workforce spoke fondly about the organization’s enhanced ability to serve students 24/7 through a strong internal technology framework. Relief was expressed regarding the possibility of future salary increases, as the college strengthened its ability to retain and recruit students was secured. As a result, positive benefits were identified for the recurring “what’s in it for me?” fundamental question for the vision.

From my perspective, the second aspect of step 3 – implementation strategies, was the most difficult of the steps to enact. It seemed that everyone had an opinion about best practices

which they expected to be honored. This inability to distinguish between business practices which were effective at other academic organizations and those which would be effective at our institution resulted in gridlock. Ultimately, external consultants were retained to gain clarity and help move the implementation forward. Adding to this difficulty were suspicions and distrust which developed between members of the workforce and the information technology administrators who recommended the preferred vendor for the ERP. As unexpected implementation problems developed, allegations were directed toward these internal experts. It was suggested that this department's recommended vendor – who was ultimately retained, did not have the best product for our institution. It was alleged that these internal information technology leaders, used their influence to secure a contract with this vendor, so funds from the lower bid could be retained and used for personal bonuses and departmental initiatives. This mounting distrust peaked when the vendor informed us of its decision to discontinue its academic product so that it could focus on more lucrative business contracts. This pinnacle of distrust propelled us into step 4 of leading change, communication. This multi-million dollar oversight required that we now identify an alternate vendor whose system had the capabilities of integrating with the partially implemented system of the previous vendor. The president made it clear, that those responsible for the mammoth error would be held accountable. While a communication plan had been created and implemented throughout the first steps of our change management plan, this aspect of leading change now became our primary focus. I recommended and received approval to expand our communication team to include members from marketing and external communication. Together we worked to ensure that clarity specific to the reasons for securing a new vendor was clearly articulated to the workforce. Central to our communication plan were the recurrent messages of the benefits of the new ERP, both for the

organization and the individual. I believe that this distrust, could have been avoided if greater transparency regarding the criteria for vendor selection had been incorporated into our initial communication plan. Though senior leaders were familiar with the criteria, this information was not fully available to members of the workforce. I learned that senior leaders are at risk for assuming that the rationale for their decisions is understood by those entrusted to their leadership. As a result of this experience, it is my belief that this assumption can never be made. Therefore, for maximum effectiveness and maturing trust, leaders must consistently implement strategies which confirm organizational understanding – especially those decisions made by senior executives.

It was during step 4 that I came to fully realize leading change is not a clean sequence of steps. I increasingly understood that it is a dance. Throughout the implementation of this change, we experienced urgency in varying degrees and responded to it accordingly. It became clear to me that the composition of a guiding coalition needs to be assessed continuously to ensure that the right members were working together at the right time for maximum responsiveness. We continued to work diligently at over communicating the vision of how our organization would be strengthened through this initiative. As a result positive energy was generated for system implementation.

Empowerment, as required for step 5, was given to administrators and supervisors to make the change a reality. Both the President and the Board, made it clear that we were expected to lead this initiative in a way to ensure that it was implemented on time, within budget and without customizations. Though support was expressed for the leaders and their ability to achieve this objective, it was also clearly stated that failure to implement the change within the parameters of this three prong directive, would result in a negative performance review and

potential discontinuance of employment. I observed, that fear of losing one's job became a primary motivator for implementing action plans in a timely and quality rich manner. The aggressive timelines nurtured the creation of a subculture of fear around this desired change, which exit interviews revealed as the reason for the submission of resignations by some members the administration and information technology department. I continue to believe that long term quality for organizations is experienced when strengths of the workforce are affirmed as the platform for empowered implementation instead of fear.

Clearly, the joy of celebrating progress as required for Kotter's (2008) step 6 of leading change was very meaningful to members of the organization. We created general celebrations as strategic system goals were achieved. The value of these experiences was visibly affirmed through the attendance of the President and Board members. I ensured that these celebrations continued through recognition of individual contributions in our employee newsletter. In addition, we created peer to peer monthly celebrations, where members of the workforce could nominate a colleague who they observed to be making extraordinary contributions to the success of the initiative. These "stars" were further recognized by their supervisors and the President for their efforts. In addition, with administrator approval, bonuses were awarded for this exceptional performance.

"Never letting up" as defined in stage 7 of Kotter's (2008) theory became a portrait of physical and emotional exhaustion for this four year project. Though I managed a "backfill budget" which supervisors could use to hire temporary staff as needed to respond to the demands of system implementation – I observed that there were never enough employees to get the job done. The skill competencies required to design best practices were unique – therefore, most employees had to fulfill their primary job responsibilities while correspondingly fulfilling the

additional responsibilities as demanded by the aggressive system implementation timelines. Though, the President gave the directive that vacation and personal days were to be taken throughout the course of this implementation, managers found the directive almost impossible to implement. This challenge was rooted in the reality that only a limited number of employees had the required technical skills and institutional knowledge needed to design the system's best business practices. As a result these individuals were overworked as organizational fatigue and anger were increasingly became the norm. Vacation requests were denied due to the overarching demand of system implementation goals. I observed, that there comes a time, when even money, does not adequately compensate for the emotional refreshing needed to stay healthy while completing the implementation of the change initiative in a manner that honors quality standards for the system and nurtures a collaborative organizational culture. I believe that this employee pain could have been significantly minimized if organizational priorities were reduced so that focused energy could have been given to the implementation of this new system. Instead, administrators were still expected to give attention to ensuring that a standard of excellence was met with other institutional priorities such as new program development, new accreditations and new enrollment growth.

Anchoring the change into the organization as required by Kotter's (2008) eighth stage for leading change, occurred by default - since the previous computer mainframe was removed as the new system was implemented. We did however, ensure that this planned change was firmly anchored into the organization's culture by connecting its continued maintenance, upgrades and future rollouts of system functionalities to the college mission, strategic planning and budgeting processes. Beyond this formal anchoring, I discovered the need to connect the system to our employees in a more personal way.

I began to realize that - though the old system had been replaced, employees were creating alternative manual subsystems to complete departmental functions, instead of using all the functionalities of the new system, I learned that this emerging practice allowed employees to remain effective in their jobs and meet performance expectations, without having to reveal their inability to perform at a higher level of computer literacy as demanded by the new system. This compensation occurred in response to the fear that transparency, regarding the absence of these required skills, could place their continued employment in jeopardy. I saw, that as an institution, we were faced with a dilemma. In spite of having spent millions of dollars to implement a much needed computer system, organizational efficiencies were not being fully realized because our workforce need for new skills was being hidden under the veil of employee fears. In response to this need, I worked with the administrators and supervisors to create a plan for organizational learning, where everyone could come and refine the required new technology competencies. I knew that this type of support would help employees confront their fears and strengthen them to continue to provide their best efforts toward enriching the student's learning experience through this state of the art technology. Of equal importance, as individual employees found value in the capabilities of the new system, they increasingly took the initiative to anchor these processes into the organization's culture. I knew that this final step was successful, as the references to the old system decreased in frequency and successes with the new system were increasingly part of spontaneous organizational conversation.

Through this process of leading the change management team, I learned that no one theory is capable to respond to the intricate nuisances of making desired change a reality. For example, from Lewin (1951) I learned that implementing the change would be hard and would require sustained energy akin to that needed for water to change its form from ice to water and

then to ice again. Kotter's (2008) theory gave me a template for leading the change which provided direction, effectiveness and stability to a dynamic process. Through appreciative inquiry, I accepted the challenge to use organizational strengths as the platform for leading the change and creating our preferred destiny.

I now believe that the role for the leader of change is very much like that of an orchestra's conductor. It is the leader's responsibility to fully understand the vision of the new organizational song as envisioned through the implementation of the planned initiative. It is through this understanding, that the leader brings forth, the appropriate strategies from change theory which most enriches the organization's melodies of responsiveness to the identified need. Ultimately, creating such a rich experience of progressive excellence that members of the workforce will not only start to sing this new song, but eagerly embrace the next stanza of their "institution's song of change" as they spontaneously sing their part!

REFERENCE LIST

- Bible, King James Version (1987). Carol Stream, IL: Tyndale Publishing.
- Boyd, N. & Bright, D. (2007). Appreciative inquiry as a mode of action research for community psychology. *Journal of Community Psychology* (35)8, 1019-1036.
- Collins, J. C. (2001). *Good to great: Why some companies make the leap—and others don't*. New York: Harper Business.
- Erwin, D. (2009). Changing organizational performance: Examining the change process. *Hospital Topics: Research and Perspectives in Healthcare*, 87(3), 28-40.
- Kotter, J. (2008). *A sense of urgency*. Boston, MA: Harvard Business Press.
- Lewin, K. (1951). *Field theory in social science*. New York: Harper & Row.
- Magin, M. (2005). *Managing in times of change: 24 Tools for managers, individuals, and teams*. Chicago: McGraw-Hill.